

SUCCESSOR AGENCY TO THE FORMER DALY CITY REDEVELOPMENT AGENCY

REGULAR MEETING

City Hall Council Chambers – 2nd Floor
333 – 90th Street, Daly City, CA 94015

MONDAY, APRIL 9, 2018 - 7:00 P.M.

For those wishing to address the Agency Board on any Item on the Agenda or under Public Appearances/Oral Communications, please complete a Speaker Card located at the entrance to the Council Chambers and submit to a Staff Member as early in the meeting as possible.

Persons with disabilities who require auxiliary aids or services in attending or participating in this meeting should notify the Office of the City Clerk at 991-8078 as early as possible.

CALL TO ORDER:

ROLL CALL:

APPROVAL OF MINUTES:

1. Meeting of January 8, 2018

AGENDA:

1. Resolution of the Governing Board of the Successor Agency to the Daly City Redevelopment Agency Authorizing Staff to Prepare and Accept the Last and Final Recognized Obligation Payment Schedule for the Successor Agency.

PUBLIC APPEARANCES - ORAL COMMUNICATIONS:

NOTE: Speakers are limited to two minutes, unless modified by the Chair.
The Board cannot take action on any matter raised under this item

ADJOURNMENT:

AVAILABILITY OF PUBLIC RECORDS:

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the City Clerk's Office, City Hall located at 333 90th Street, Daly City, CA during normal business hours, at the same time that the public records are distributed or made available to the legislative body

Successor Agency to the Former Daly City Redevelopment Agency
Regular Meeting
January 8, 2018

The meeting was called to order at 8:11 P.M. by Chairperson Manalo.

Boardmembers Present:

Juslyn Manalo, Chairperson
Raymond A. Buenaventura, Vice Chairperson
Judith Christensen
Michael P. Guingona
Glenn Sylvester

Staff Present:

Patricia E. Martel, City Manager
Rose L. Zimmerman, City Attorney
K. Annette Hipona, City Clerk

MINUTES:

It was moved by Boardmember Sylvester, seconded by Boardmember Buenaventura and carried to approve the meeting minutes of December 12, 2016.

ELECTION OF OFFICERS

Chairperson Manalo called for nominations for the office of President. It was moved by Boardmember Buenaventura, seconded by Boardmember Sylvester to nominate Boardmember Manalo for Chairperson. It was moved by Boardmember Sylvester, seconded by Boardmember Buenaventura and carried to close the nominations.

It was moved by Boardmember Sylvester, seconded by Boardmember Christensen and carried to appoint Boardmember Manalo to serve as Chairperson of the Successor Agency to the Former Daly City Redevelopment Agency for the ensuing year.

Chairperson Manalo called for nominations for the office of Vice-Chairperson. It was moved by Boardmember Sylvester, seconded by Boardmember Christensen to nominate Boardmember Buenaventura for Vice-Chairperson. It was moved by Boardmember Buenaventura, seconded by Boardmember Sylvester and carried to close the nominations.

It was moved by Boardmember Sylvester, seconded by Boardmember Christensen and carried to appoint Boardmember Buenaventura to serve as Vice-Chairperson of the Successor Agency to the Former Daly City Redevelopment Agency for the ensuing year.

Chairperson Manalo called for nominations for the office of Secretary-Treasurer. It was moved by Vice-Chairperson Buenaventura, seconded by Boardmember Christensen to nominate Boardmember Sylvester for Secretary-Treasurer.

Successor Agency to the Former Daly City Redevelopment Agency
Regular Meeting
January 8, 2018

Page 2

It was moved by Vice-Chairperson Buenaventura, seconded by Boardmember Sylvester and carried to close the nominations.

It was moved by Boardmember Sylvester, seconded by Vice-Chairperson Boardmember Buenaventura and carried to appoint Boardmember Sylvester to serve as Secretary-Treasurer of the Successor Agency to the Former Daly City Redevelopment Agency for the ensuing year.

The meeting adjourned at 8:13 P.M.

City Clerk

Approved this _____ 9th _____ day

of _____ April _____, 2018

Chairperson

***Successor Agency to the
Daly City Redevelopment Agency Agenda Report***

Item # 1

Meeting Date: April 9, 2018

Subject: Resolution of the Governing Board of the Successor Agency to the Daly City Redevelopment Agency Authorizing Staff to Prepare and Accept the Last and Final Recognized Obligation Payment Schedule for the Successor Agency

RECOMMENDATION

It is recommended that the Governing Board of the Successor Agency to the Daly City Redevelopment Agency ("Successor Agency") authorize staff to prepare and accept the Last and Final Recognized Obligation Payment Schedule ("ROPS") for the Successor Agency.

EXECUTIVE SUMMARY

Under statutes governing the dissolution of redevelopment agencies, the Successor Agency is required to annually prepare a ROPS and corresponding administrative budgets to be implemented in yearly increments. The attached resolution approves and adopts a Last and Final ROPS. Once approved by the Oversight Board and California Department of Finance, the Successor Agency will no longer be obligated to file a yearly ROPS.

BACKGROUND AND ANALYSIS

Pursuant to Health and Safety Code Section 34191.6(a), successor agencies that have received a Finding of Completion may submit a Last and Final ROPS if all the following conditions are met:

- The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts.
- All remaining obligations have been previously listed on the ROPS and approved for payment by the California Department of Finance pursuant to HSC section 34177 (m) or (o).
- The Successor Agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a) (3).

Under the dissolution statutes, successor agencies which meet the above requirements may submit a Last and Final ROPS to the California Department of Finance. The Department has 100 days to review the filing and propose amendments or changes to the Last and Final ROPS schedule. If a Last and Final ROPS is approved less than 15 days before the property tax distribution, the Last and Final ROPS will not be effective until the subsequent Redevelopment Property Tax Trust Fund (RPTTF) distribution period.

The Successor Agency meets the requirements for submittal of a Last and Final ROPS because (i) the Successor Agency's only outstanding obligation is the repayment of the consolidated City loans to the former Redevelopment Agency and (ii) all outstanding litigation has been resolved.

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Meeting Date: April 9, 2018

Page 2 of 2

In consultation with the County Auditor-Controller's office, staff has prepared a proposed Last and Final ROPS that lists projected repayment of the consolidated City loan, a proposed administrative allowance consistent with the administrative allowance approved by the Department of Finance on the last annual ROPS, and repayment of the balance of litigation expenses advanced by the City \$23,000.00.

The City's reinstated loan is amortized for \$34,302,046.00. The loan contract termination date is 7/12/2044. The Department of Finance (DOF) has approved a loan repayment amount of \$846,853 for the period July 1, 2018 through June 30, 2019.

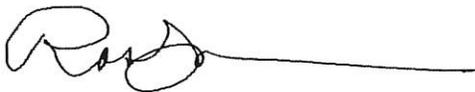
Adopting a Last and Final ROPS provides certain key benefits. Health and Safety Code section 34191.6 allows agencies filing a Last and Final ROPS to apply a four percent (4%) interest rate on outstanding loan amounts made by sponsoring entities calculated on an annual basis until fully paid. This is an increase over the three percent (3%) rate otherwise allowed. The loan repayment schedule includes in the proposed Last and Final ROPS uses the four percent (4%) interest rate.

Furthermore, successor agencies may elect to repay sponsoring entity loans in an amount equal to the greater of: (a) 15 percent of the entire moneys remaining in the RPTTF after allocation of taxing entity passthrough payments and certain other specified expenses, or (b) one-half of the incremental increase in residual RPTTF funds over the base year 2012-2013. Once the Successor Agency makes this election, the selected methodology will remain in effect for the duration of the repayment period for the consolidated City loan. Successor Agency staff will analyze and determine the projected RPTTF growth over the anticipated loan repayment period to prepare the ROPS for approval by the Oversight Board.

SUMMARY/DISCUSSION:

Staff recommends that the Successor Agency authorize the General Counsel to prepare and accept the Last and Final ROPS for approval by the Oversight Board. Staff is available to provide any additional information desired by the Chair or Board Members.

Respectfully submitted,



Rose Zimmerman
City Attorney/General Counsel

Attachment: Draft Resolution

RESOLUTION NO. ____

**A RESOLUTION OF THE GOVERNING BOARD OF THE SUCCESSOR AGENCY TO
THE DALY CITY REDEVELOPMENT AGENCY AUTHORIZING STAFF TO
PREPARE AND ACCEPT THE LAST AND FINAL RECOGNIZED OBLIGATION
PAYMENT SCHEDULE**

WHEREAS, pursuant to Resolution No. 12-11, adopted by the City Council of the City of Daly City on January 23, 2012, the City of Daly City (the “City”) agreed to serve as the successor agency to the Redevelopment Agency of the City of Daly City (“Successor Agency”) commencing upon dissolution of the Redevelopment Agency on February 1, 2012;

WHEREAS, Health and Safety Code section 34191.6(a), allows successor agencies that have received a Finding of Completion to submit a Last and Final Recognized Obligation Payment Schedule (“ROPS”) if all of the required conditions are met:

- The remaining debt is limited to administrative costs and payments pursuant to enforceable obligations with defined payment schedules including, but not limited to, debt service, loan agreements, and contracts; and
- All remaining obligations have been previously listed on the Recognized Obligation Payment Schedule and approved for payment by the California Department of Finance pursuant to HSC section 34177 (m) or (o); and
- The Successor Agency is not a party to outstanding/unresolved litigation, except as specified in HSC section 34191.6 (a)(3); and

WHEREAS, the Successor Agency meets the conditions required to submit a Last and Final ROPS.

NOW, THEREFORE, BE IT RESOLVED that the Governing Board of the Successor Agency to the Daly City Redevelopment Agency does hereby resolve as follows:

1. Recitals. The Recitals set forth above are true and correct, and establish the factual basis for the Governing Board’s adoption of this Resolution.
2. Authorization for staff to prepare and accept the Last and Final ROPS. The Successor Agency hereby authorizes staff to prepare and accept the Last and Final ROPS.
3. Posting; Transmittal to Appropriate Agencies. The staff of the Successor Agency is hereby authorized and directed to post of copy of the Last and Final ROPS on the City’s website and transmit a copy to the Oversight Board for approval and to the Department of Finance, the County Auditor-Controller and the County administrative officer, and take such other actions as may be necessary to effectuate the approval of the Last and Final ROPS, including without limitation, modifying the Last and Final ROPS to reflect adjustments required by the Department of Finance or the County Auditor-Controller.

* * * * *

I hereby certify that the foregoing Resolution was regularly introduced and adopted by the Governing Board of the Successor Agency to the Daly City Redevelopment Agency at a meeting held on the _____ day of _____, 2018 by the following vote:

AYES: _____

NOES: _____

ABSTAIN: _____

ABSENT: _____

ATTEST: _____
Secretary